



Overview

Lending Club (NYSE:LC) is the world's largest online credit marketplace, facilitating personal loans, business loans, and financing for elective medical procedures and K-12 education and tutoring. Borrowers access lower interest rate loans through a fast and easy online or mobile interface. Investors provide the capital to enable many of the loans in exchange for earning interest. We operate fully online with no branch infrastructure, and use technology to lower cost and deliver an amazing experience. We pass the cost savings to borrowers in the form of lower rates and investors in the form of attractive returns. We're transforming the banking system into a frictionless, transparent and highly efficient online marketplace, helping people achieve their financial goals every day.

History & Milestones

- Headquartered: San Francisco
- Established: 2006
- Founded by: Renaud Laplanche, CEO
- First personal loan facilitated: May 2007
- Launch of small business loans: March 2014
- Launch of education financing and patient financing: April 2014 through the acquisition of Springstone Financial.
- IPO: December 11, 2014

In 2006, Renaud Laplanche, a successful entrepreneur who had recently sold his company to Oracle, looked at his credit card statement and realized that despite a great credit history, he would pay an 18 percent APR on his credit card balance, while his deposits at the same bank were earning less than one percent interest. This inspired him to do more research, and he began to understand just how inefficient the traditional banking industry is. Renaud founded Lending Club on the premise that an online marketplace would offer an efficient and transparent experience for borrowers at lower operating costs. Lending Club utilizes technology to lower costs and deliver a better consumer experience. We measure the quality of the experience we deliver by monitoring the net promoter score (NPS)* of our customers: borrowers for example have shown a NPS consistently up in the 70s since we began surveying borrowers in January 2013, which places us at the upper end of customer satisfaction ratings for financial services where the average NPS is in the 20s.

How It Works

Making Credit More Affordable

Joe doesn't want to keep the moving expenses he's just incurred on his credit card, where he's charged an 18% APR. He decides to check his rate with Lending Club. The marketplace's risk ranking algorithm assigns an APR that Joe finds appealing. His loan is listed anonymously on our marketplace, where hundreds of investors each invest in a \$25 fraction of the loan. A fixed monthly payment of principal and interest is automatically deducted from Joe's bank account; 36 months later, he's paid off his loan.

Making Investing More Rewarding

Jane doesn't like the volatility of the stock market or the 0.45% APY she's earning on her "high yield" savings account. She decides to open an account online with Lending Club, which only takes a few minutes, and transfers money into her account. Jane can build her portfolio by choosing loans individually or use our automated investing service. Jane creates a portfolio of hundreds of loan fractions. Jane receives monthly payments, after deduction of a service fee, which she can take as cash or reinvest.

Performance

Annual platform loan facilitation:

2007: \$4.8 million
 2008: \$20.0 million
 2009: \$51.8 million
 2010: \$126.4 million
 2011: \$257.4 million
 2012: \$717.9 million
 2013: \$2.06 billion
 2014: \$4.38 billion
 2015: \$8.36 billion

Annual operating revenue:

CY 2007: nm
 CY 2008: nm
 CY 2009: \$1.4 million
 CY 2010: \$5.7 million
 CY 2011: \$12.5 million
 CY 2012: \$34.0 million
 CY 2013: \$98.0 million
 CY 2014: \$213.4 million
 CY 2015: \$426.7 million

**Standard Program
Personal Loan Borrowers
(through 12/31/2015)**

Average loan size: over \$14,741
Average FICO: 699
Average Income: over \$75K
Loan purpose: 68.50% of borrowers report using their personal loans to consolidate debt or pay off their credit cards.
APRs: 5.99% to 32.99%** Fees: one-time origination fee of 1% - 5% depending on loan grade (included in APR and subtracted from loan proceeds prior to disbursement)**
Borrowers who received a loan to consolidate existing debt or pay off their credit card balance reported that the interest rate on the loan they received through our marketplace was, on average, 7.6 percentage points lower than they were paying on their outstanding debt or credit cards, reducing their rates by 35%.***
Based on a review of the credit performance of borrowers who received a loan from January 2013 through September 2015 to consolidate existing debt or pay off their credit card balance, 76% of borrowers experienced an average increase of 21 points in their FICO score within three months after obtaining their loan, which we believe is in part attributable to a reduction in interest rate and a reduction in the borrower's total revolving balance.

**Standard Program
Personal Loan Investors
(through 12/31/2015)**

Historical returns by Grade A-C of 5.24% to 8.63%****
Fees: Lending Club charges a servicing fee to investors for servicing loans, processing payments, collections activities, and maintaining accounts. The servicing fee paid by investors is one percent (1%) of borrower payments rounded to the nearest whole cent or one cent.
Lowest investment increment: \$25

Interest Rates

Average interest rate, 36-month loans (Q415): 10.73%
Average interest rate, 60-month loans (Q415): 15.10%
Average interest rate, all loans (Q415): 12.60%

Recent News

01/08/2016: [Lending Club Opens to Retail Investors in New Jersey and Oregon](#)
12/22/2015: [Interest Rates in Lending Club Platform Increase by 0.25%](#)
11/23/2015: [Lending Club Opens to Retail Investors in Alabama, Kentucky, Michigan, and the District of Columbia](#)
10/15/2015: [Lending Club Unveils Low-Cost Business Line of Credit](#)
More recent news can be found [here](#).

Board of Directors

Renaud Laplanche – *CEO, Lending Club*
John Mack – *Former CEO, Morgan Stanley; Former CEO, Credit Suisse*
Mary Meeker – *General Partner, Kleiner Perkins; Former Managing Director, Morgan Stanley*
Lawrence Summers – *President Emeritus, Harvard; 71st Secretary of Treasury*
John (Hans) Morris – *Former President, Visa; Former CFO, Citi Markets & Banking*
Dan Ciporin – *Partner, Canaan Partners; Former EVP, MasterCard*
Jeff Crowe – *Partner, Norwest Venture Partners; Former CEO, Edify*
Simon Williams – *Former head of Citigroup's Global Consumer Group risk management*

About Renaud

Born: Hyères, France
Lives: San Francisco, CA
Age: 45
Birthday: October 15
Renaud started his career as a securities lawyer with New York law firm Cleary Gottlieb Steen & Hamilton. He founded his first company, TripleHop Technologies, in 1999. Its award-winning software MatchPoint was acquired by Oracle in 2005. Renaud started Lending Club in 2006. Bloomberg Markets named Renaud to its annual "Most Influential" list in 2015. He was also recently named "best start-up CEO" by Business Insider, and won the 2014 Economist Innovation Award in the Consumer Products category.
Hobbies: Began sailing at 10. Began competitive sailing at 14. Renaud holds two world speed sailing records, including the Transpac record.

Media Contact

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* NPS is a commonly used measure of customer loyalty and satisfaction, scores range from negative 100 to positive 100, based on direct questions to borrowers.

** For information on rates and fees, please visit <https://www.lendingclub.com/public/borrower-rates-and-fees.action>.

*** Based on responses from 12, 728 borrowers in a survey of 66,493 randomly selected borrowers conducted from January 1, 2015 – January 1, 2016, borrowers who received a loan to consolidate existing debt or pay off their credit card balance reported that the interest rate on outstanding debt or credit cards was 21.90% and average interest rate on loans via Lending Club is 14.30%.

**** As of December 31, 2015. To be included in the Historical Returns calculation, a Note must have been originated prior to June 30, 2014. Historical Returns are Lending Club's adjusted net annualized returns (Adjusted NAR) for Notes with Grades A through C. Adjusted NAR is calculated using the formula described [here](#). Adjusted NAR is based on monthly borrower payments actually received net of Lending Club's service fees, actual charge offs, recoveries, and adjustment for estimated future losses. To estimate future losses, we apply a loss rate estimate to the outstanding principal of any loans that are past-due but not charged off. The loss rate estimate is based on historical charge off rates by loan status over a 9-month period. Historical Returns are not a promise of future results. Lending Club Notes are not insured or guaranteed and investors may have negative returns. Individual portfolio results may be impacted by, among other things, the diversity of the portfolio, exposure to any single Note or group of Notes, as well as macroeconomic conditions. Notes are offered by [prospectus](#) filed with the SEC and you should review the risks and uncertainties described in the prospectus prior to investing in the Notes.